

## **FISCAL NOTE**

### **SB 3621 - HB 3553**

March 16, 2006

**SUMMARY OF BILL:** Authorizes municipalities to borrow funds and then loan funds to an Industrial Development Board. Authorizes municipalities to contribute revenues derived from property and personal taxes generated by a business park that is jointly operated or developed by an Industrial Development Board and municipalities. Authorizes Industrial Development Boards to distribute to municipalities any revenues that exceed expenditures.

#### **ESTIMATED FISCAL IMPACT:**

**Increase Local Govt. Revenues – Exceeds \$200,000/Permissive**  
**Increase Local Govt. Expenditures – Exceeds**  
**\$200,000/Permissive**

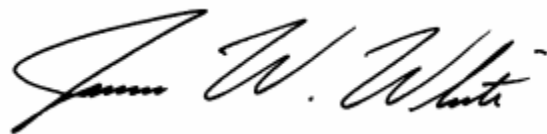
##### Assumptions:

- There will be an increase in local government expenditures to provide funds to the Industrial Development Boards. Such increase is estimated to exceed \$100,000.
- An increase in local government revenues resulting from the interest charged on any funds loaned to a development board. Such increase will depend on the amount of money loaned to the board, the interest rate charged, and the duration of the loan. Such increase cannot be quantified but is estimated to be significant.
- A fair market interest rate will be charged on any funds provided to the development boards.
- An increase in local government expenditures in an amount equivalent to personal and property taxes received from municipal portions of the park that are then contributed to the industrial development board. Such expenditures are estimated to exceed \$100,000.
- An increase in local government revenue to the extent revenues of an industrial development board exceed expenses. Such increase is estimated to be significant if a business park is successful.

#### **CERTIFICATION:**

**SB 3621 - HB 3553**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director